

1 Education and Workforce Development Cabinet

2 Kentucky Board of Education

3 Department of Education

4 (Amended After Comments)

5 702 KAR 3:320. Finance officer certification requirements.

6 RELATES TO: KRS 160.431, 161.020(1)(b)

7 STATUTORY AUTHORITY: KRS 156.070, 160.431

8 NECESSITY, FUNCTION AND CONFORMITY: KRS 156.070 authorizes the Kentucky Board
9 of Education to promulgate administrative regulations necessary for the efficient management,
10 control, and operation of the schools and programs under its jurisdiction. KRS 160.431(2) requires
11 school finance officers to meet certification and continuing education requirements and authorizes
12 the Kentucky Board of Education to promulgate administrative regulations identifying and
13 prescribing the criteria and procedures for school finance officer certification and continuing
14 education. This administrative regulation establishes the standards for school finance officer
15 certification and continuing education.

16 Section 1. Definitions. (1) **"Break in service" means an end to the employment relationship of**
17 **the individual as the designated finance officer for a Kentucky school district without a**
18 **transfer of employment to another Kentucky school district to serve as the designated**
19 **finance officer.**

20 **(2)** "Finance officer" means a person appointed pursuant to KRS 160.431(1).

(3) [(2)] "Finance officer intern" means any finance officer who has obtained a provisional certificate under Section 3 of this administrative regulation but who has not acquired a full certificate under Section 4 of this administrative regulation.

(4) [(3)] "Mentor" means an individual approved by the department to oversee a finance officer intern through the Kentucky Finance Officer Internship Program.

Section 2. Initial Qualifications. An individual shall be eligible to be employed as a finance officer on or after July 1, 2015, if the individual:

(1) Is employed on June 30, 2015 as a finance officer in a Kentucky school district and does not have **a six (6) month or longer [an]** employment break in service as a finance officer **in any Kentucky school district after June 30, 2015**. A **six (6) month or longer** break in service as a finance officer in any Kentucky school district **after June 30, 2015** shall terminate the individual's qualification for employment as a finance officer under this subsection; or

(2) Obtains a provisional or full certificate under Section 3 or 4 of this administrative regulation.

Section 3. Provisional Certification. (1) An individual who is seeking to be employed as a finance officer in a Kentucky school district who does not meet the requirements of Section 2(1) of this administrative regulation and who does not possess a full certificate shall secure a provisional certificate by submitting the Provisional Certification Application Form, KDE-FOCP-1, to the department to verify the individual meets the following eligibility requirements:

(a) A minimum of a bachelor's degree from any accredited postsecondary institution; and

(b)1. A minimum of twelve (12) credit hours in accounting coursework from any accredited postsecondary institution;

2. A minimum of four (4) years' work experience primarily in accounting or finance, confirmed by the district of employment; or

1 3. A minimum of two (2) years' work experience in finance in a local school district, confirmed by
2 the district of employment.

3 (2) The department shall issue a provisional certificate to an individual providing proof of the
4 eligibility requirements of subsection (1) of this section and proof of an offer of employment as a
5 finance officer in a Kentucky school district.

6 (3) A finance officer provisional certificate shall be in effect until:

7 (a) The individual obtains full certification;

8 (b) The individual fails to provide to the department the proof of progress toward full certification
9 required by subsection (4) of this section; or

10 (c) Five (5) years have passed since the provisional certificate's issuance date.

11 (4) The provisional certificate holder shall annually submit proof of progress toward full
12 certification to the department by the anniversary of the issuance date of the provisional certificate.
13 Failure to provide this annual proof of progress or to obtain full certification within five (5) years
14 of the issuance of a provisional certificate shall result in the loss of the provisional certificate.

15 Section 4. Full Certification. (1) An individual who is eligible for employment as a finance officer
16 under Section 2(2) of this administrative regulation shall apply for full certification prior to the
17 expiration of the provisional certificate by submitting the Full Certification Application Form,
18 KDE-FOCP-2, to the department to verify:

19 (a) Current provisional certification;

20 (b) Completion of the Kentucky Finance Officer Internship Program (KFIP) under Section 5 of
21 this administrative regulation;

22 (c) Fifteen (15) hours of finance officer training from the Finance Officer Curriculum, KDE-
23 FOCP-6, provided by a department-approved training provider; and

- 1 (d) Twelve (12) hours of training in the state-approved school district financial software package
2 provided by a department-approved training provider.
- 3 (2) A full certificate shall be renewed automatically unless the finance officer fails to meet the
4 biennial continuing education requirements of Section 6 of this administrative regulation.
- 5 Section 5. Kentucky Finance Officer Internship Program (KFIP). (1) Within thirty (30) days of
6 employment as a finance officer, the provisionally certified finance officer shall apply for
7 participation in the KFIP.
- 8 (2) The KFIP Assessment Committee shall consist of:
- 9 (a) The mentor assigned by the department;
- 10 (b) The employing district's superintendent or designee; and
- 11 (c) A department representative.
- 12 (3) Mentors shall meet the following qualification requirements:
- 13 (a) Possess full certification under this administrative regulation or meet the requirements of
14 Section 2(1) of this administrative regulation;
- 15 (b) Complete the department's mentor training; and
- 16 (c) Complete the Mentor Application Form, KDE-FOCP-5.
- 17 (4) Mentors shall:
- 18 (a) Work with finance officer interns to develop a chronological task plan based on the Finance
19 Officer Curriculum, KDE-FPCO-6;
- 20 (b) Continue the mentorship for a period of twelve (12) consecutive months;
- 21 (c) Document the time spent mentoring and a summary of the content on form KDE-FOCP-3;
- 22 (d) Document attendance by the finance officer intern at any mentoring meetings during the
23 internship; and

- 1 (e) Serve as a mentor for no more than two (2) individuals concurrently.
- 2 (5) Mentors shall be eligible to earn, as a mentor, a maximum of twenty-one (21) hours of
3 continuing education, not to exceed one (1) hour per month, during the mentorship, toward the
4 requirement of KRS 160.431(3) for the mentor training and mentor contact.
- 5 (6) Mentors shall be eligible to receive from available funds an annual stipend, not to exceed
6 \$1,000 each fiscal year per individual mentored, from the department for the mentorship. A district
7 may also choose to reimburse the mentor for any expenses, including travel and provide a
8 separate, additional stipend to the mentor. If the KFIP Assessment Committee requires a
9 finance officer intern to repeat a portion or the entire internship curriculum under
10 subsection (9) of this section, then a mentor shall not be eligible to receive the stipend from
11 the department for additional fiscal years of mentorship required by the KFIP Assessment
12 Committee. The district may still reimburse and provide a stipend to a mentor of a finance
13 officer intern in any additional fiscal years of internship required by the KFIP Assessment
14 Committee.
- 15 (7) The KFIP Assessment Committee shall:
- 16 (a) Assist in the development of the intern's chronological task plan required in subsection (4)(a)
17 of this section;
- 18 (b) Meet six (6) months after the initiation of the internship to assess progress;
- 19 (c) Assess whether the finance officer intern completed the internship; and
- 20 (d) Complete the Assessment Committee Report Form, KDE-FOCP-4.
- 21 (8) As part of its assessment, the KFIP Assessment Committee shall consider:
- 22 (a) Documentation provided by the mentor;

- 1 (b) The recommendation of the finance officer intern's superintendent based on actual work
2 performance; and
- 3 (c) The report by the department of work product submissions and interactions.
- 4 (9) At the end of the internship, the KFIP Assessment Committee shall do one (1) of the
5 following:
- 6 (a) Declare the internship completed;
- 7 (b) Require the finance officer intern to repeat a portion of the internship curriculum; or
- 8 (c) Require the finance officer intern to repeat the entire internship curriculum.
- 9 (10) The finance officer intern may request a different mentor if the KFIP Assessment Committee
10 requires the internship to be repeated.
- 11 (11) The mentor may request to be replaced by another mentor if the KFIP Assessment Committee
12 requires the internship to be repeated.
- 13 Section 6. Continuing Education. (1) Fully certified finance officers and those qualified under
14 Section 2(1) of this administrative regulation shall meet the continuing education requirements of
15 KRS 160.431(3). **A break in service for any length of time for any finance officer shall not**
16 **reduce the continuing education requirements of KRS 160.431(3).**
- 17 (2) Each finance officer shall complete at least twelve (12) hours of continuing education by June
18 30 of each fiscal year.
- 19 Section 7. Revocation and Appeal for Reinstatement of Full Certification. (1)(a) Failure to meet
20 the annual requirement of twelve (12) hours of continuing education of Section 6(2) of this
21 administrative regulation shall result in a temporary suspension of a finance officer's full
22 certification.
- 23 (b) The department shall notify the district superintendent of the temporary suspension.

- 1 (c) The certificate holder shall complete the required number of hours of continuing education by
2 the end of the biennial period.
- 3 (d) Three (3) temporary suspensions shall result in revocation of the full certification.
- 4 (2) Failure to meet the biennial requirement of forty-two (42) hours of continuing education shall
5 result in revocation of the full certification.
- 6 (3) The certificate holder may appeal to the department for reinstatement of a provisional or full
7 certification which has been revoked under subsections (1) or (2) of this section if:
- 8 (a) The certificate holder requests reinstatement and provides supporting documentation to the
9 department; and
- 10 (b) The certificate holder has fulfilled all requirements of the provisional or full certification
11 including the required continuing education for the latest fiscal year.
- 12 (4) The department shall review and make a determination regarding reinstatement within thirty
13 (30) days of receipt of the appeal.
- 14 Section 8. Grandfather Status. (1) An individual who is eligible for grandfather status pursuant to
15 Section 2(1) of this administrative regulation shall submit the Provisional Certification Application
16 Form, KDE-FOCP-1, to the department.
- 17 (2) An individual with grandfather status may obtain full certification if either:
- 18 (a) The department approves the individual as a mentor in the KFIP in accordance with the
19 requirements of this administrative regulation; or
- 20 (b) The individual meets all provisional and full certification requirements, including successful
21 completion of the KFIP.
- 22 Section 9. Incorporation by Reference. (1) The following material is incorporated by reference:
- 23 (a) "Provisional Certification Application", FOCP-1, July 2015;

1 (b) "Full Certification Application", FOCP-2, July 2015;

2 (c) "Intern Progress Report", FOCP-3, July 2015;

3 (d) "Assessment Committee Report", FOCP-4, July 2015;

4 (e) "Mentor Application", FOCP-5, July 2015; and

5 (f) "Finance Officer Curriculum", FOCP-6, July 2015.

6 (2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the

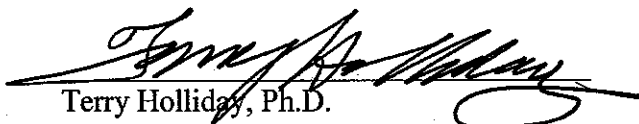
7 Department of Education, 500 Mero Street, First Floor, Capital Plaza Tower, Frankfort,

8 Kentucky, 40601, Monday through Friday, 8 a.m. to 4:30 p.m.

This is to certify that the chief state school officer has reviewed and recommended this administrative regulation prior to its adoption by the Kentucky Board of Education, as required by KRS 156.070(5).

2-13-15

(Date)



Terry Holliday, Ph.D.
Commissioner of Education

2-13-15

(Date)



Roger L. Marcum, Chairperson
Kentucky Board of Education

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Administrative Regulation: 702 KAR 3:320

Agency Contact Person: Kevin C. Brown

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes standards for certification of school finance officers and sets the requirements for continuing education to maintain the certification.

(b) The necessity of this administrative regulation: KRS 160.431(2) provides that school finance officers shall obtain certification and continuing education and that the agency shall identify the criteria for certification and continuing education. KRS 161.020(1)(b) prohibits a school district from employing an individual to serve as finance officer after July 1, 2015 if the individual has not met the certification requirements of this administrative regulation.

(c) How this administrative regulation conforms to the content of the authorizing statute: This administrative regulation establishes the requirements mandated by KRS 160.431 and 161.020(1)(b).

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation establishes the certification standards and the eligibility requirements for school finance officers at the local school district.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: Inapplicable

(b) The necessity of the amendment to this administrative regulation: Inapplicable

(c) How the amendment conforms to the content of the authorizing statute: Inapplicable

(d) How the amendment will assist in the effective administration of the statutes: Inapplicable

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: All Kentucky public school districts

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including: This administrative regulation establish certification and continuing education requirements for any school finance officers hired on or after July 1, 2015.

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: A school district shall have to comply

with the requirements in this administrative regulation for certification and pay for the mentorship of a school finance officer intern in that district, if applicable.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There are no mandated costs with this administrative regulation. Districts are encouraged to facilitate mentorships at minimal cost.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): More consistency in the quality and training of school finance officers across the state.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: Minimal

(b) On a continuing basis: Minimal

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: General funds

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No increase will be necessary.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish fees or directly or indirectly increase any fees.

(9) TIERING: Is tiering applied? (Explain why or why not) No, tiering does not apply because the requirements of this administrative regulation apply to all Kentucky school districts.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation Number: 702 KAR 3:320

Contact Person: Kevin C. Brown

Phone number: 564-4474

(1) What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? All Kentucky public school districts

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 156.070, 160.431, 161.020(1)(b).

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? None

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? None

(c) How much will it cost to administer this program for the first year? No cost

(d) How much will it cost to administer this program for subsequent years? No cost

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation:

Summary Page – Incorporation by Reference

702 KAR 3:320. Finance officer certification requirements.

- (1) The following documents are incorporated by reference:
 - (a) "Provisional Certification Application", FOCP-1, July 2015;
 - (b) "Full Certification Application", FOCP-2, July 2015;
 - (c) "Intern Progress Report", FOCP-3, July 2015;
 - (d) "Assessment Committee Report", FOCP-4, July 2015;
 - (e) "Mentor Application", FOCP-5, July 2015; and
 - (f) "Finance Officer Curriculum", FOCP-6, July 2015.
- (2) These documents are used in school finance officer certification.
- (3) The documents incorporated by reference consist of fourteen (14) pages.

**STATEMENT OF CONSIDERATION
RELATING TO 702 KAR 3:320
Finance officer certification requirements
Kentucky Department of Education**

Amended After Comments

1. A public hearing was scheduled on the above regulation on January 28, 2015 at 10:00 a.m. Eastern Time, in the State Board Room, Kentucky Department of Education, 500 Mero Street, 1st Floor, Frankfort, Kentucky, but was cancelled when no one appeared to speak.
2. The following individuals submitted written comments:

<u>Name and Title</u>	<u>Agency/Organization/Entity/Other</u>
Amanda Deweese, CPA, Finance Director	Simpson County Schools
Dennis C. Chambers, CPA, Chief Finance Officer	Russell Independent Schools
Angela Rhodes, Finance Manager	Montgomery County Schools
Scott P. Burchett, CPA, CSFM, Finance Director/Treasurer	Greenup County Schools
Greg Murphy	Individual

3. The following people from the promulgating administrative body responded to the written comments:

Name and Title
Kevin C. Brown, General Counsel/Associate Commissioner, Office of Guiding Support Services
Amy Peabody, Assistant General Counsel, Office of Guiding Support Services
Hiren Desai, Associate Commissioner, Office of Administration and Support
Kay Kennedy, Director, Division of District Support

Summary of Comments and Responses

1. Subject Matter: Eligible continuing education courses
 - (a) Comment: Ms. Deweese commented that the continuing education requirement of the administrative regulation should include any classes accepted by the Kentucky Society of Certified Public Accountants (KYCPA).
 - (b) Response: KRS 160.431(2) notes that training shall be from a provider approved by agency. Any classes accepted by the KYCPA which naturally align with the curriculum

requirements in the form attached to the regulation (FOCP-6) could be eligible for consideration through the approval process. No changes are required to the administrative regulation to allow for this consideration.

2. Subject Matter: Full certification for grandfathered finance officers

- (a) Comment: Ms. Deweese appears to be commenting that the administrative regulation should allow a grandfathered finance officer, eligible for continuing employment after July 1, 2015 based on employment on June 30, 2015, to acquire full certification under this administrative regulation by any of the three following routes: agency approves individual as a mentor in KFIP; or successful completion of the KFIP; or successful completion of UK Gatton College of Business Certified School Financial Manager (CSFM) program (including pass the written exam) and Certified School Financial Officer (CSFO) status.
- (b) Response: As noted in Section 8 of the administrative regulation, an individual with grandfathered status can acquire certification through two of these routes: approval as a mentor in KFIP, or successful completion of KFIP. The Gatton College of Business is an outside entity, which is not under the jurisdiction or control of the agency. Accordingly, while the agency has successfully partnered with Gatton on several initiatives, tying a regulatory requirement to an outside program is not appropriate. No changes have been made to the administrative regulation in response to this comment.

3. Subject Matter: Stipend for finance officer mentors

- (a) Comment: Ms. Deweese commented that there should be no limit on the monetary stipend available to a finance officer who serves as a mentor to a finance officer intern in the Kentucky Finance Officer Internship Program (KFIP).
- (b) Response: The administrative regulation as a whole does not currently place a limit on the monetary compensation that can be provided to a KFIP mentor. The agency understands that the service of a mentor involves many hours and much effort due to the intricacies of the work as well as the geographic distance that will naturally be involved between two separate school districts' finance officers. However, the administrative regulation at Section 5(6) only describes the limit on the monetary stipend that a mentor can receive "from the department" for serving in this role. If a school district desired and was able to provide a stipend as well to the finance officer, this would be in addition to the agency-funded stipend and would be allowable under the administrative regulation as it is currently written. For the sake of clarity, a change has been made to the administrative regulation in response to this comment.

4. Subject Matter: Clarity of requirements and full certification for grandfathered finance officers

- (a) Comment: Mr. Chambers and Mr. Burchett commented that they did not believe the administrative regulation currently provided enough clarity for grandfathered finance officers and their responsibilities under the administrative regulation. They stated that they did not agree with the requirement for a grandfathered finance officer with

substantial experience to undergo a finance officer internship program. They commented that the administrative regulation should allow a grandfathered finance officer with a significant number of years of experience to be allowed to complete the continuing education requirements only and to grant the grandfathered finance officer full certification upon completion of the continuing education hours. They commented that Section 8 of the administrative regulation specifically needed additional specificity. The agency has considered the suggestion to grant grandfathered finance officers full certification based only on completion of the continuing education requirements but has declined to make this change.

- (b) Response: For clarity, the agency has made a change to Section 1 of the administrative regulation to add a definition for "break in service". The agency has made changes to Section 2(1) of the administrative regulation to clarify that a finance officer employed on June 30, 2015, is eligible to continue to serve as a finance officer unless the individual has a break in service after June 30, 2015 for six (6) months or longer and does not meet the requirements for a provisional or full certification. The agency has also made changes to Section 6(2) to clarify that the continuing education requirements of KRS 160.431(3) apply to all finance officers, even those with a break in service for any length of time.

5. Subject Matter: Finance officer title, grandfather status, and "break in service"

- (a) Comment: Ms. Rhodes commented that the administrative regulation was unclear on to whom in the district grandfather status is available and the "break in service" language. Ms. Rhodes commented that every district handled the organizational distribution of financial management duties differently and was not necessarily tied to the title the employee holds. Ms. Rhodes commented that "Some districts may have a Finance Officer and a Director of School Business, both may perform similar functions. Which one gets to be certified? Another instance is a certified individual may have many titles and also be deemed Finance Officer but in name only when a classified staff underneath them is handling the day to day functions of school finance. Also in some cases the Superintendent is deemed Finance Officer but does not perform day to day accounting functions." Ms. Rhodes also commented that she disagreed with the grandfather status requirement for the grandfathered finance officer to be employed as a finance officer on June 30, 2015 and stated that "individuals that have served as Finance Officer in previous years but may not be acting Finance Officers as of June 30, 2015 are not given an opportunity to be grandfathered in. An individual may have left a role as Finance Officer to go to a different district to perform same job functions but may not necessarily be the Finance Officer. This seems to be inconsistent with the intent of the regulation that requires experience in the field."

Mr. Murphy commented that he was the finance officer for a school district for twenty years until recently and that he hoped to become a finance officer for another school district in July of this year. He commented that he believed the administrative regulation should allow such an individual to acquire grandfather status and avoid the finance officer intern program requirements. He commented that the administrative regulation should include a process "whereby a person who was a finance officer but had a short break in service is not forced to go through the intern program. This process could

include consideration of the circumstances by an intern committee with input from the past and present superintendent.”

- (b) Response: For clarity, the agency has made a change to Section 1 of the administrative regulation to add a definition for “break in service”. The agency has made changes to Section 2(1) of the administrative regulation to clarify that a finance officer employed on June 30, 2015, is eligible to continue to serve as a finance officer unless the individual has a break in service for six (6) months or longer after June 30, 2015 and does not meet the requirements for a provisional or full certification. KRS 160.431 required that a superintendent appoint a single employee to serve as the designated finance officer. That is the only individual who has to be certified under this administrative regulation. The agency has considered the suggestion to grant grandfather status to former finance officers who do not meet the requirements of Section 2(1) of the administrative regulation and has declined to make this change. The agency is not amending the administrative regulation to allow former, but not current as of June 30, 2015, finance officers to be grandfathered.

6. Subject Matter: Finance officer mentor eligibility

- (a) Comment: Mr. Murphy commented that “[s]omeone who qualifies for and is selected as a mentor, even if not currently a finance officer, should be granted a full certificate after completing the mentor form and training. This could include a consultant who has kept up with changes in school finance. The person would not be selected to be a mentor if KDE feels he/she does not qualify for a full certificate. Therefore, this avenue could not be used as a shortcut to full certification. It would simply eliminate the costly and time-consuming mentoring process.”
- (b) Response: The agency appreciates this comment but believes that the responsibilities of the finance officer mentor require assurances that the mentor possesses the qualifications and current knowledge and abilities to provide the necessary guidance to a finance officer intern envisioned in the KFIP program. The administrative regulation currently provides two qualification avenues for mentors, including those meeting the grandfather status requirements and those who have sought and obtained full certification under this administrative regulation. These are the threshold, not ceiling, requirements for mentors and should stand. As a result, the agency is not making a change to the administrative regulation in response to this comment.

7. Subject Matter: Add limit on finance officer mentor stipend payment by the agency

- (a) Comment: Mr. Murphy commented that “[c]learly some people are not qualified to be finance officers. It appears the regulation would put the burden on KDE for up to 5 years to pay the mentor for what may well be an unqualified individual. I suggest that, after the 2nd mentor cycle, the hiring school district should pay for the mentor since this might get the district to reconsider the individual’s qualifications and possibly non-renew the individual before the person gains tenure status. It would also cause the individual to focus on what is being taught during the mentoring process.”

- (b) Response: The agency is making a change to the administrative regulation to clarify that mentors are not eligible, for agency-funded stipends, for fiscal years of mentorship of finance officer interns after the KFIP Assessment Committee has required the finance officer intern to repeat a portion or the entire internship curriculum. Mentors of finance officer interns who are repeating a portion or the entire internship curriculum are still eligible for district-funded stipends and district-funded reimbursement of expenses.

Summary of Statement of Consideration Action Taken by Promulgating Administrative Body

The Kentucky Department of Education received and has responded to seven different categories of comments from the public regarding new administrative regulation 702 KAR 3:320.

Commenter requested the allowance of particular classes for continuing education credit for finance officers. Commenter requested addition of a third route for a grandfathered finance officer to receive full certification under this administrative regulation. Commenter requested that there not be a limit on the amount of the monetary compensation which can be provided to a KFIP mentor. Commenter requested that there be a limit on the number of years the agency pays the finance officer mentor stipend described in the administrative regulation. Commenter requested the administrative regulation be amended to allow grandfathered finance officers to receive full certification by completion of the continuing education requirement alone.

Commenter stated that the administrative regulation needed to clarify who can qualify for the grandfather status in light of the fact that different positions in different districts perform the finance officer functions, not necessarily reflected in the person's title. Commenter stated that the "break in service" language for grandfather status needed clarification. Commenter requested the amendment of the grandfather status language of the administrative regulation to include former finance officers not currently serving as finance officers on June 30, 2015. Commenter suggested the amendment of the administrative regulation to allow former finance officers not currently serving as finance officers on June 30, 2015 to serve as finance officer mentors.

The agency is not adding a third route to grandfather status under this administrative regulation. The agency clarified in this document and in the administrative regulation at Section 5(6) that there is not a ceiling on the amount of district-funded stipend a mentor can receive. The agency amended the administrative regulation at Section 5(6) to clarify that mentors are not eligible, for agency-funded stipends, for fiscal years of mentorship of finance officer interns after the KFIP Assessment Committee has required the finance officer intern to repeat a portion or the entire internship curriculum. The agency did not amend the administrative regulation to grant full certification to grandfathered individuals based on completion of the KRS 160.431(3) continuing education requirements alone without fulfillment of the administrative regulation's requirements for full certification. The agency clarified in this document that only the individual designated by a school district to serve as their finance officer can be grandfathered under this administrative regulation and only the individual designated by a school district to serve as their finance officer has to meet the requirements of this administrative regulation. The agency has added a definition for "break in service" and provided additional clarification in this document and in the administrative regulation at Section 1(1) and Section 2(1) as to the length of a break in service which terminates grandfather status. The agency is not amending the administrative regulation to allow former, but not current as of June 30, 2015, finance officers to be grandfathered. The

agency is not amending the administrative regulation to allow former, but not current as of June 30, 2015, finance officers to serve as mentors of finance officer interns without meeting the requirements of the administrative regulation. The agency is amending the administrative regulation at Section 6(1) to clarify that a "break in service" does not reduce the continuing education requirements for finance officers found KRS 160.431(3).

The agency proposes the following amendments after comments to the administrative regulation:

Page 1

Section 1(1)

Line 16

After "Definitions. (1)", insert " 'Break in service' means an end to the employment relationship of the individual as the designated finance officer for a Kentucky school district without a transfer of employment to another Kentucky school district to serve as the designated finance officer."

Before " 'Finance officer' ", insert "(2)".

Page 1

Section 1(2)

Line 18

Before " 'Finance officer intern' ", insert "(3)".

Delete "(2)".

Page 2

Section 1(3)

Line 1

Before " 'Mentor' ", insert "(4)".

Delete "(3)".

Page 2

Section 2(1)

Line 6

After "have", insert "a six (6) month or longer".

Delete "an".

After "employment break in service as a finance officer", insert "in any Kentucky school district after June 30, 2015".

Before "break in service as a finance officer in any Kentucky school district", insert "six (6) month or longer".

After "in any Kentucky school district", insert "after June 30, 2015".

Page 4

Section 5(6)

Line 6

After "including travel", insert "and provide a separate, additional stipend to the mentor. If the KFIP Assessment Committee requires a finance officer intern to repeat a portion or the entire internship curriculum under subsection (9) of this section, then a mentor shall not be eligible to

receive the stipend from the department for additional fiscal years of mentorship required by the KFIP Assessment Committee. The district may still reimburse and provide a stipend to a mentor of a finance officer intern in any additional fiscal years of internship required by the KFIP Assessment Committee”.

Page 6

Section 6(1)

Line 6

After “KRS 160.431(3).”, insert “A break in service for any length of time for any finance officer shall not reduce the continuing education requirements of KRS 160.431(3).”.